Declaration of Bernard P. Gallagher

1. I, Bernard P. Gallagher, am the President and Chief Operating Officer of Century Communications Corp. ("Century"). Century owns, operates and manages fifty-eight cable television systems that are subject to three hundred separate franchise agreements with local authorities in twenty-four states and in Puerto Rico. As of May 31, 1993, Century provides cable service to over 930,000 primary basic subscribers.

2. I am responsible for Century's overall operations, including its ability to service existing debt, meet and comply with various operating and financial covenants associated with such indebtedness, and attract the capital required to continue current levels of cable television service to subscribers. I am familiar with the contractual obligations of Century and its cable television systems under franchise agreements with local authorities and credit agreements with lenders and public debtholders.

3. At my direction, Century has analyzed how the Commission's proposed "benchmark" rates will affect its ability to continue to conduct its business. In particular, Century has assessed whether the proposed benchmark rates will permit it to earn a reasonable profit. Century also has studied whether it will be able to continue to meet its franchise and other contractual obligations, or continue to provide current levels of cable television service to subscribers, under the proposed benchmark rates.

4. At the present time, even without any rate reductions under the Commission's proposed regulations, Century is not earning a net profit on its cable television operations. In fact, because of expansion, franchise requirements to upgrade technical capabilities of systems and expand service areas, and rapid obsolescence of existing equipment and systems due to technology changes, Century has not reported any net income on its cable television operations in the last seven years. Century's net loss for the fiscal year ended May 31, 1992, excluding operations of its non-cable television business segments, was $44,294,000.

5. The rate currently charged by most of Century's cable television systems exceeds the benchmark rates prescribed by the Commission. Our preliminary assessment is that, under the benchmark method (assuming no change in the number of customers or selection of services), Century's regulated cable television systems would be required to reduce current rates by up to fifteen percent (depending on the particular system). Should such rate reductions be implemented, Century's revenues would be expected to be reduced by approximately fifteen to thirty million dollars annually, which would further contribute to Century's ongoing losses from its cable television operations.

6. The projected revenues Century would receive under the benchmark rates could be insufficient to generate sufficient income to cover all of Century's operating and capital expenses and would have negative impact on Century and its systems--and, ultimately, on the level of service to its subscribers.

7. Based on Century's present assessment with respect to one system (serving approximately 92,000 subscribers) in which Century holds an ownership interest, implementation of the benchmark rates could provide insufficient income to permit that system to comply with loan covenants for a $68.5 million outstanding obligation, risking a default.

8. Default on loan covenants caused by implementation of benchmark rates could damage Century's banking and credit relationships, and could adversely affect its ability to obtain future financing and attract capital investment.

9. In addition, many of Century's cable systems have agreements with local franchise authorities requiring expansion of service to additional subscribers on specified timetables, or requiring future service upgrades to increase the quality and number of channels within specified dates. Some of those franchise agreements also require Century to make additional public, educational or governmental access channel and other payments ranging up to $375,000, which obligations will become due in late 1993 or succeeding years. The imposition of benchmark rates will limit future revenues, the expectation of which was the basis for those franchise agreement commitments. As a result, Century would be denied the opportunity to become profitable and would in fact incur even greater losses.

10. The so-called "cost of service" method does not alleviate the harm to Century of complying with the Order. The Commission has not yet released any proposed regulations for "cost of service" determinations. Therefore, Century cannot determine what costs may be recovered or what rate of return it can

expect to obtain. Century and its lenders cannot gamble on the uncertain outcome of electing to initiate a "cost of service" proceeding when the rules or standards for measuring "cost" have not been developed, and the resulting rates might therefore lead to even greater losses than those projected under the benchmark formula. Further, regulations provide that portions of Century's rate structure will be evaluated by different regulatory authorities, i.e., the local franchise authority for the basic tier and the Commission for all other levels of regulated service. Without specific guidelines and standards for evaluation, the results for the cost of service showing are subject to inconsistent results with regard to the same group of offerings to a single customer base. Even with such guidelines, this bifurcated process would be subject to inconsistent determination which would result in material market dislocation. Such structure effectively eliminates cost of service as a viable alternative for Century.

11. Additionally, any "cost of service" showing before local franchisors will entail substantial time and expense, particularly in the absence of regulations on what costs may be recovered. Cost of service proceedings before local franchisors will require engagement of outside consultants and experts. Due to the fact that most franchisors do not have municipal or administrative procedures in place for such cost of service proceedings, the delays likely to be encountered are substantial. Century estimates that each cost of service proceeding required to be undertaken before local franchisors will require Century to expend substantial sums, with no assurance that such expenses ever would be recoverable.

I declare under penalty of perjury that the foregoing is true and correct.

Dated 18 day of June, 1993, in New Canaan, CT.

Bernard P. Gallagher

Bernard P. Gallagher

Declaration of the Arizona Cable TV Association

1. I, Susan Bitter Smith, am the Executive Director of the Arizona Cable TV Association ("ACTA"). ACTA is the trade association of the cable television industry in Arizona. The Association represents over 95 systems serving over 650,000 subscribers statewide.

2. ACTA's mission is to assist it's members in providing premier telecommunications service in the communities they serve.

3. I have been associated with ACTA since 1979. Through my activities with ACTA, I am familiar with the overall operations of small, rural cable television systems, including their rates and profitability, as well as license agreements with local authorities and credit agreements with lenders.

4. As part of my responsibilities with ACTA, I have reviewed the Commission's cable television rate regulations, and have solicited and received comments from member systems on the anticipated impact of those regulations on the ability of our members to continue their current level of cable television service. ACTA actively participated in filing comments on this issue during the FCC's initial rulemaking.

5. Based on my review of the regulations, my experience in the cable television industry and my discussions with member organizations, some small, rural cable television systems currently charge rates in excess of the benchmark rate prescribed by the Commission.

6. Small, rural cable systems have historically maintained small profit margins due to the limited nature of their market.

7. Based on my experience with ACTA, small cable television systems typically are highly leveraged. In the experience of our members, lenders frequently impose minimum cash flow requirements as a condition for extending loans. The ability of ACTA's member organizations to service existing debt and obtain additional working capital loans will be substantially impaired if benchmark rates are adopted.

8. In addition, cable television systems, by law, have existing license obligations that require not only continued license fees, but extensive rebuilding of plant to keep current with developing technology.

9. Small system operators cannot afford professional services, such as attorneys and accountants, on a regular basis, which will severely hamper them from calculating "cost of service", putting them at a disadvantage to larger systems.

10. Many small system members of ACTA have indicated that they will find their businesses in jeopardy if they have to continue with a "benchmark" rate.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: 17th day of June, 1993 at Maricopa County, Arizona.

DECLARATION OF JAY BUSCH

I, Jay Busch, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. My name is Jay Busch. I am President of Triax Communications Corporation. Triax operates approximately 460 cable systems in 17 states, and provides cable service to approximately 345,000 subscribers.

2. Triax operates a large number of cable systems that would be severely affected by application of the Federal Communications Commission's rate regulation benchmarks.

3. For example, Triax operates a cable system in Wilsonville, Illinois. Triax acquired the system in 1988 and currently provides 17 channels of video programming to 98 subscribers.

4. In 1992 the system had total revenues of $32,000.

5. During the same period, the system experienced pro rata operating expenses of approximately $15,700. The depreciation and amortization for the system (on a pro rata basis) was approximately $14,100, and the interest expense for the system (also on a pro rata basis) was approximately $12,600.

6. During 1992, therefore, the Wilsonville system had a net loss of $10,400.

7. The FCC benchmark methodology would require Triax to reduce the revenues from regulated services in the Wilsonville system by approximately $4,400, for a net loss of $14,800.

8. In the event Triax decreased its rates (and revenues) by $4,400, the system's net loss would increase to [illegible]

10. In view of the FCC's threat, coupled with the FCC's failure to issue any standards to guide cable operators through their cost-of-service analysis, Triax simply does not have sufficient information to determine whether it should shut down the system, reduce its rates to benchmark levels, or attempt a cost-of-service analysis.

11. If this were a stand-alone system, the inability to meet the system's interest expenses would require serious consideration to shutting the system off. On the other hand, although Triax believes that any reasonable cost-of-service analysis would justify the system's existing rates (and even a substantial increase), Triax has no assurance at this time that what it considers a reasonable cost of service analysis will be employed. And the FCC has indicated that cable systems (including Triax) may be required to make a refund to subscribers back to June 21, 1993, for any charges above those

Declaration of David D. Kinley

1. I, David D. Kinley, am the president of Sun West Cable, Inc., the general partner of Pacific Sun Cable Partners, L.P. ("Company"). I have been active in the cable television industry since 1973. I served as Chief of the Cable Television Bureau of the Federal Communications Commission ("Commission") from 1973-1976. I subsequently served as an officer of three cable television companies from 1976-1985. I have been president of Sun Country Cable, Inc. and its affiliate Sun West Cable, Inc. since 1986 and 1988 respectively.

2. The Company owns and operates a cable television system located in the Town of Los Altos Hills in Santa Clara County, California ("System"). As of May 1, 1993, the System provides cable service to approximately 1,020 subscribers, and has 35 channels of basic service, 15 of which are satellite signals.

3. As the Company's president, I am responsible for the overall financial operations of Company, including its ability to service existing debt and attract the capital required to continue current levels of cable service to subscribers. I also am familiar with the provisions of Company's franchise agreements with local authorities and credit agreements with lenders.

4. At my direction, Company has analyzed how the Commission's proposed "benchmark" rates will affect its ability to continue to provide current levels of cable service to subscribers as required under its franchise agreement. In particular, Company has calculated the rates it is permitted to charge its cable customers under the benchmark standards. We have also projected the anticipated amount of revenues that would be generated under the benchmark rates, assuming no change in the number of customers or selection of services.

5. At the present time--even without any rate reductions under the Commission's proposed regulations--Company is not earning a net profit on its cable service operations in the System.

6. Company's current rates in the System exceed the benchmark rate prescribed by the Commission. Our estimate is that, under the benchmark approach, Company would be required to reduce its current rates in the System by about 26.4%, resulting in an annual revenue loss of approximately $97,320 or approximately 20.6%. The revenues we calculate we would receive under the benchmark rates are insufficient to meet our current expenses for the System, including principal and interest payments.

7. Such a rate reduction would have an immediate, adverse and irreparable impact on the Company's ability to continue its current

level of service to subscribers of the System. In particular, the projected cash flow reduction would make it impossible for the System to service its pro rata share of existing debt. If a similar reduction in cash flow were to result from application of the benchmarks in the other systems of the Company, this would cause both a technical default with covenant compliance in existing loan provisions regarding ratios of debt to cash flow, as well as a payment default on scheduled repayments of principal.

8. Upon the occurrence of the defaults described above, the Company's lender has the right to foreclose on all the assets of the System.

9. Adoption of benchmark rates also would impair the Company's ability to perform its franchise requirements. Specifically, the Company is required by its franchise agreement to extend service to low density underground neighborhoods under a cost-sharing formula which requires the Company to pay a portion of the extra cost associated with service extensions in low density areas in which all utilities must be placed under ground. With the projected reduction in cash flow, the System would generate insufficient funds to finance its share of the construction cost under the formula. This would risk a default by the Company under its franchise agreement. The possible consequences of such a default would be revocation or non-renewal of the Company's franchise.

10. Because the Commission has not yet released any regulations for "cost of service" determinations, Company cannot determine what costs may be recovered or what rate of return it can expect to obtain. For that reason, we are reluctant to "elect" that option, which might prove to be worse than the benchmark rates.

11. Moreover, without information on the expected rate of return under any cost of service approach, Company will be unable to provide asurance to lenders and other sources of capital that it will continue to have the cash flow required to service its current financial obligations.

12. I am also Chairman of the Small Cable Business Association ("Association"). The Association has approximately 135 members. The purpose of the Association is to educate federal regulators and policymakers about the problems faced by small cable systems in attempting to comply with the Cable Act of 1992 and the Commission's rules adopted pursuant to that Act. In that capacity, I have had

small systems face problems which are identical or very similar to those now faced by the Company.

I declare under penalty of perjury that the foregoing is true and correct.

Dated 17th day of June, 1993, in Pleasanton, California.

David D. Kinley

David D. Kinley

DECLARATION OF D. JACK STOCK

1. I, D. Jack Stock, am the Senior Vice President and Chief Financial Officer of Boulder Ridge Cable TV, a California Corporation ("Boulder"). Boulder owns and operates a cable television system in Placer County, California ("System"). As of May 31, 1993, the System provided cable service to approximately 12,000 subscribers in the unincorporated areas of Placer County and the cities of Lincoln and Rocklin and the town of Loomis, all within Placer County. The System provides a total of 32 channels of basic service, including 23 delivered by satellite signals.

2. As Boulder's Chief Financial Officer, I am responsible for the overall financial operations of the company, including its ability to service existing debt and attract the capital required to continue current levels of cable service to subscribers. I also am familiar with the provisions of Boulder's franchise agreements with local authorities and credit agreements with its lender.

3. At my direction, Boulder has analyzed how the Commission's proposed "benchmark" rates will affect its ability to continue to provide current levels of cable service to subscribers as required under its franchise agreements. In particular, Boulder has calculated the rates it is permitted to charge its cable customers under the benchmark standards. We have also projected

the anticipated amount of revenues that would be generated from the benchmark rates, assuming no change in the number of subscribers or selection of services.

4. As of April 30, 1993, the date of Boulder's last financial statements, --even without any rate reductions under the Commission's proposed regulations-- Boulder is not earning a net profit on its cable service operations. The System serving Placer County, California, in fact, has never earned a net profit since its original construction, which was begun by Boulder in 1981. Cumulative losses for this system through December 31, 1992, the closing date of Boulder's last fiscal year, are in excess of $1.6 million.

5. The System's current rates exceed the benchmark rate prescribed by the Commission. Our preliminary assessment is that, under the benchmark approach, Boulder would be required to reduce the System's current rates by an average of 9.8%, resulting in an annual loss of revenue of approximately $336,000, or $28.00 for each System subscriber. The revenues we calculate we would receive under the benchmark rates are insufficient to cover our current costs of doing business. As stated earlier, the System is unable to generate a net profit, even at the present rates.

6. Such a rate reduction would have an immediate, adverse and irreparable impact on the System's ability to continue its

current level of service to subscribers. In particular, the projected cash flow reduction would make it impossible for Boulder to service its existing debt as it is now structured. Current projections indicate an operating cash balance at December 31, 1994 of approximately $98,000, after 1994 debt service of approximately $1,215,000. If revenues were to decrease to the benchmark level, Boulder would be unable to service this debt, and would be in default under its credit agreement. In addition, the cash flow reduction would prevent the company from going forward with its planned capital expansion project to increase channel capacity, extend the physical plant into new areas and to upgrade certain areas of the existing facilities.

7. By adopting the benchmark rates, Boulder's ability to comply with its franchise obligations would be severely impaired. Agreements with local franchise authorities require us to extend service into new areas, for which the company has projected additional cash requirements in excess of $1 million over the next 18 months. Under the benchmark rates, Boulder's cash flow would be insufficient to enable us to make all of these plant extensions, thus putting Boulder in the untenable position of being in probable default under certain of our franchise agreements.

8. The Commission has indicated that if a system is charging in excess of the benchmark rates on the initial date of regulation and elects not to "roll back" to such benchmark rates, it may elect

a charge pursuant to a "cost of service" proceeding. Because the Commission has not yet released any regulations for cost of service determinations, Boulder cannot determine what costs may be recovered or what rate of return it can expect to obtain. For that reason, we find it impossible to "elect" such an undeterminable option, as it might prove to be more of a detriment to Boulder than the benchmark rates.

9. Also, with the uncertainty associated with the costs of probable "retransmission consent" fees, we find it impossible at this time to go forward with our own cost of service determinations.

10. Moreover, without information on the expected rate of return under <u>any</u> cost of service approach, Boulder will be unable to provide assurance to its lender that it will continue to have the cash flow required to service its current financial obligations.

11. Finally, the delays and uncertainties associated with determining "cost of service" would severely impact Boulder's ability to obtain additional financing, or alternative sources of funding for future expansion of services and facilities as required by its franchise agreements.

12. Any "cost of service" showing also will entail substan-

tial time and expense both "in house" and in retaining outside accounting expertise. Such additional expense may not be recoverable under any regulations the Commission ultimately might adopt.

I declare under penalty of perjury that to the best of my knowledge the foregoing is true and correct.

Dated this sixteenth day of June, 1993, in Half Moon Bay, California.

D. Jack Stock

STATE OF CALIFORNIA }
COUNTY OF SAN MATEO }ss.

On 6/16/93 before me, LYNNETTE GIUSTI,
personally appeared D. JACK STOCK,
personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within

Declaration of Stanley M. Searle

I, Stanley M. Searle, am the President of Pioneer Cable, Inc., which owns and operates a cable television system located in Huerfano County, Colorado. Our company, doing business as Cuchara Valley Cable, presently serves 157 subscribers, providing eight basic channels, of which only one is received off-air; the other seven being satellite channels.

2. I am responsible for the overall operations of Cuchara Valley Cable, including financial, technical and customer service aspects. I am also familiar with the terms of the contract under which we promised to provide cable service to residents of the Cuchara Ski Area, which comprises part of our service area.

3. We have analyzed how the Commission's proposed "benchmark" rates will affect our ability to continue to provide cable service to residents in and around the village of Cuchara, Colorado. We have calculated specifically the rates we are permitted to charge our cable customers under the benchmark standards. And we have projected the operating losses that would be generated using the benchmark rates, assuming no change in the number of customers and assuming (absent any assurances from the broadcast stations) that we will not be forced to pay retransmission fees.

4. At the present time, Cuchara Valley Cable is not earning a net profit on its cable service operations. In fact, at the present time, Cuchara Valley Cable is losing $1.26 per

Pioneer Cable's existing debt attributable to it from projected cash flow after rate reduction. Moreover, line extensions to serve additional customers would, obviously, be impossible to pay for out of generated funds.

7. If the Commission's benchmark rates are adopted by Cuchara Valley Cable, it will not be possible to continue providing even the modest eight-channel service now delivered to this isolated and sparsely populated community.

8. No off-air television signals can be received by any of the families served by Cuchara Valley Cable. Only a very few residents have satellite dishes (the only alternative to cable).

9. Since the Commission has not yet released any regulations for calculating "cost of service" we cannot predict what rate of return can be used, or how various tangible and intangible costs could be treated. We have the additional uncertainty of what the retransmission consent charges might be, or how many subscribers we will lose if we must drop three of our eight channels because of possible demands by the network stations. Moreover, the cost of service option may not be a viable option inasmuch as the Commission has not decided whether debt service will be a recoverable cost. Therefore, we are at this time afforded no reasonable alternative to the benchmark

rates which, if adopted, will eliminate (or, at best, greatly diminish) cable service to the residents of Cuchara, Colorado.

10. Operators of small systems, such as Cuchara Valley Cable, risk loss of credibility, and loss of subscribers, if rates must be arbitrarily reduced to less than the operating break-even. Even if new rules or interpretations subsequently allow raising rates to a profitable level, the disruption and confusion will be a disservice to the cable customer and could permanently damage our reputation in the community.

I declare under penalty or perjury that the foregoing is true and correct.

Dated 17th day of June, 1993, in Monument, Colorado.

Stanley M. Searle

Stanley M. Searle

Declaration of Gilbert R. Clark Jr.

I, Gilbert R. Clark Jr., am the Managing Partner of Multi-Cablevision Co. of Livingston/Washtenaw (Multi-Cablevision). Multi-Cablevision Co. owns and operates a cable television system located in and around Livingston and Washtenaw Counties in Michigan. As of May 30,1992, Multi-Cablevision Co. provides cable service to approximately 12,000 subscribers and has 44 channels and 28 satellite signals. This system has been constructed since 1984 and has a denisty of less than 35 homes per mile.

As Multi-Cablevision's General Partner, I am responsible for the overall financial operations of the company, including it's ability to service existing debt and attract the capital required to continue current levels of cable service to subscribers. I also am familiar with the provisions of Multi-Cablevision's franchise agreements with local authorities and credit agreements with lenders.

At my direction, Multi-Cablevision has analyzed how the Commission's proposed "benchmark" rates will affect it's ability